

LESSON

VI

SUGGESTED REMEDIES

"There are a thousand men hacking at the branches of evil to one who is striking at the root."—THOREAU in "Walden."

"To be willing to perform our duty is the moral part —to know how to perform it, the intellectual part."—BUCKLE in "History of Civilization."

UP TO THIS POINT WE HAVE BEEN WORKING OUT definitions of economic terms, demonstrating the natural laws of rent and wages and showing how interference with the operation of these laws by human agencies is the cause of the economic ills of society. From this point on we will discuss remedies. But before searching for a true remedy, it may be well to discuss, briefly, some of the many other suggestions which have been proposed as remedies for low wages, unemployment and undeserved poverty.

I—INCREASED EDUCATION, IMPROVED HABITS OF
INDUSTRY AND THRIFT

It is contended by many that if a man be poor it is largely his own fault; if he would be more thrifty or more industrious, or if he would study and prepare

himself for a better job, many a man who is now poor could make of himself what the world calls a "success." Often this may be true when applied to individual cases, but to hope by this method to raise general wages or to improve general living conditions is absolutely illogical.

To see why this is so we need only remember that as soon as land has acquired any exchange value at all, wages are not determined by what Labor produces, but by what is left to Labor after the rent is paid.

This being true, so long as the best free land is land of low productivity, no amount of education, or industry, can raise general wages, or the general standard of living. If the exceptional man does have a better education, or works longer or more efficiently than his fellows, then he may be better able than they to get, or to keep, employment. He may indeed be able to command a higher wage for the time being (a man who does more work for the same money than the man he displaces is working for lower wages, measured by the energy expended). But if the average man then were to improve his education or increase his exertions until these equaled those of the exceptional man, then this increased education or industry would become the average and would be demanded of all in that field. The wages then paid for this increased efficiency would not be those previously paid to the exceptional man, but no more than those paid to average men. Then, in order to command a higher than average wage, one would need to get a still better education, or to work still harder.

To illustrate: only a few generations ago (and it is still true in some countries) the man who could read and write was the exception, and because of this he could command better than average wages; but today

when practically everyone in the United States can read and write, this knowledge brings no premium. Indeed, today, if a man cannot read and write, it is usually impossible for him to get any but the most menial employment. The growing demand that college degrees be held by those employed in many fields shows the tendency for a better education to become a general requirement.

As for practicing greater thrift: it is true that any individual who saves and spends thoughtfully and carefully will be able to make his wages go farther than will the wages of the man who gives little thought to his spending. Illustrations abound where, of two individuals with practically the same responsibilities, each receiving the same wage, one is always in debt while the other may be able to live well because of carefully planned spending. But it is true of thrift, as it is true of education and industry, that if the average man planned his spending so that he could live as well as the exceptional man on the same wage, then the wages of all would be proportionately reduced.

This is true because men out of work bidding against one another for employment, will keep pushing wages down to the level of bare subsistence when there is no more free land on which they can produce a living above the subsistence level. If the average man found that he could live as well as at present on a lower wage, he would not hesitate to offer to work for this lower wage if it were necessary in order to get, or to keep, a job. If our people should learn to live on as little as does the Chinese or the Indian coolie, their wages would eventually decline to the level of his, regardless of their education, or industry, or thrift. Even if some new ma-

chine or method should make it possible for them to produce many times as much as before, the increased production would eventually raise land values without increasing wages (as shown in Lesson IV).

It is not implied by the above that education, industry and thrift are bad for the individual—they are necessary for the building of human character and happiness; but it is none the less true, that, in present conditions, and so long as one must bid against another for employment, wages in general cannot be raised by increased education, increased industry or increased thrift. When everyone has an equal opportunity with all of his fellows to make a living—when there are more jobs than men—then one's knowledge, industry and skill will measure one's success. Then, if everyone should increase his education, industry or thrift up to that of the exceptional man, this would not be accompanied by a relative lowering of wages. Then everyone would be able to keep for himself all he might produce, and as material progress increased, wages would tend to rise. It is the necessity of men bidding against one another for employment that inevitably forces wages down.

2—TARIFFS

One of the questions much in the public mind is the tariff. Will the people themselves of any country benefit by reciprocal trade treaties, or by tariff agreements?

First, what is meant by a tariff? Tariffs are taxes on goods brought into or taken out of a country: i.e., tariffs are taxes imposed on trade with other countries, or other communities.

Why should the people of one country wish to trade

with people in another country? Always man is trying to satisfy his desires with the least possible exertion. The only motive anyone has for trading with another (in his own community or country, or elsewhere) is, in that way, to get goods cheaper, i.e., with the expenditure of less effort than would be necessary if he, himself, made those goods.

If, in some foreign country, because of soil, climate, economic conditions, or for any other reason, some article can be produced more cheaply than we can produce it here, it naturally follows that it will be to our advantage to buy that thing in that country rather than to make it or to raise it for ourselves. If, at the same time, we sell to the people of that country something we can produce more cheaply than they, both parties to the transaction will be benefited; for, by making the exchange, the wealth of both countries will be increased.

Specialization in and exchange between countries will increase production and wages in the same way they increase production among individuals in the same country. Suppose that, in the United States, with a given amount of labor it were possible to produce twelve pairs of shoes of a given quality each week, but only two sets of a given quality of dishes, while in France these figures were reversed. The result of two weeks of work in the United States would be twelve pairs of shoes plus two sets of dishes; in France the two weeks' work would yield two pairs of shoes and twelve sets of dishes. If, in each country, the workers will spend their time in making the thing for which their country is best fitted, and then exchange the result of a week's work for the result of a week's work, instead of each having twelve of one and two of the other at the end of two weeks, each would

have twelve pairs of shoes and twelve sets of dishes, and without anyone working any harder or longer than before.

All of this seems so logical as only to need stating to be recognized; yet when foreign markets are discussed, many of our newspapers, politicians and people in general contend that, for some vague reason, it is to our advantage to send goods out of our country, but to our disadvantage to bring goods in. They contend that it is desirable for our people to make for themselves everything they want, so far as is possible, at no matter what cost. They contend that to buy goods made in a country with a lower wage scale must bring our own wages down. All of these contentions are false.

The belief that it is in some way harmful for us to buy from other countries is so embedded in the mind of the average man that in order to keep foreign goods out we place import taxes on them (thus far, we in the United States have not resorted to export taxes). Many believe that if all tariffs were abolished, disaster would certainly follow for our workers and for business in general.

Let us see. The effect, in fact the object, of a tariff on any commodity is to raise the price of that commodity so that it can no longer be brought from abroad and sold here cheaper than it can be made and sold here; the argument being that making it more difficult for people to buy abroad will force them to buy here. This, it is contended, will stimulate home industries, and thus more men will be employed and wages will be kept up—some even argue that tariffs will increase wages.

But we have seen (in Lesson II) that wages are not fixed by import duties; that wages are fixed by the margin of production; or, if there be no more free land, that

wages are fixed by the subsistence level; but neither the margin of production nor the subsistence level can be changed by tariff regulations. Very little investigation is required to convince one that wages are no higher in those industries which are "protected" by a tariff than they are in those industries not so "protected." The United States admits bananas without a tariff, but lemons carry quite a high tariff. If one will go to a commission house which specializes in importing bananas and inquire about wages, then will cross the street to a commission house which specializes in importing lemons, it will be found that wages for the same work are practically, if not exactly, the same in both places. Much of the sugar we buy from Cuba is sent to this country to be refined. If one will go to a refinery handling Cuban sugar, which is subject to a stiff tariff, it will be found that wages there are the same as in another refinery processing only domestic sugar.

A tariff will not raise wages in a protected industry, nor will it raise general wages, nor would a lowering of the tariff reduce wages. The price of goods is raised by a tariff—that is the object of a tariff; but any increase in the price of goods without a corresponding increase in wages only decreases the amount of goods these wages will buy. Instead, then, of raising the standard of living, tariffs must lower it for the average man.

Nor do tariffs increase employment; to the contrary, tariffs decrease employment.

The imposition of a tariff is sometimes urged in order to induce the establishment of a new industry. Much is said of the new opportunities for Labor the new industry will offer, it being assumed that the men employed in this new industry will be unemployed if it is not estab-

lished. This entirely ignores the fact that goods purchased abroad are really purchased with goods made here, and that the more goods we purchase abroad the more goods we will need to make here to pay for the things purchased abroad. If the cost of a commodity purchased abroad is lower than the cost of the same thing produced here, then more of that thing will be purchased than if it is made here; and whenever an article is purchased abroad we necessarily set to work some miner, farmer, factory worker, or someone else, making something with which to pay for it.

When we admitted Cuban sugar practically free, our exports to Cuba amounted to about \$500,000,000. annually (in 1920 they were \$515,209,000.). When a high tariff was placed on Cuban sugar these exports dropped to less than \$100,000,000. (in 1933 they were \$25,093,000.). And the people who produced the other \$400,000,000. of goods which we formerly sent to Cuba had to find other work or be unemployed.

1920 Exports to Cuba \$515,209,000. Imports from Cuba \$721,537,000.

1933 Exports to Cuba \$25,093,000. Imports from Cuba \$58,437,000.

Inquiry will show that when we buy from other nations we also sell to them; when we stop buying from them, our own sales to them correspondingly decline.

The effect of tariffs, then, is to make economic conditions worse instead of better for the average man. They raise the cost of the things he buys without raising his wages; and at the same time they lessen his opportunities to get employment by decreasing the demand for goods.

Do tariffs benefit the business man? Not unless he has

a monopoly of the thing upon which the tariff is imposed. Whom then do they benefit? The chief benefit of a tariff goes to those who own the land on which is produced the article which carries the tariff. To illustrate: there are certain lands in Florida and Louisiana where sugar cane can be made to grow—not so prolifically by any means as it will grow in Cuba; but at a greater cost of time and effort, sugar cane can be raised there. Since the cost of producing the sugar is higher, its price must also be higher than that of the imported sugar, else its producers will lose. But consumers will not pay 5¢ a pound for domestic sugar if they can get the same quality, imported, for 4¢; hence these Louisiana and Florida lands cannot be used for raising sugar so long as the Cuban sugar is imported free of duty.

Therefore the owners of the Louisiana and Florida lands, together with those who owned the beet sugar lands of the West, agitated for and succeeded in having a tariff placed on sugar (obviously no one else was interested in doing this, for people do not petition for something which will raise the price of the goods they buy—it is always the seller who is interested in raising prices). This raised the price of sugar to a point at which it can be produced profitably in the United States, and much of the formerly imported Cuban sugar is kept out of the country.

What has resulted? The wages of those who previously worked on these lands (formerly otherwise used, but now devoted to the production of sugar) were not increased when the tariff was imposed, nor were the wages of those who worked in the refineries, nor were the profits of the business men who handled the sugar (though the “middleman” is very apt to be blamed for

the increased cost of any article to the consumer); that which *was* increased was the value of the sugar lands in this country, because now they can be used to produce sugar. The consumer pays this increased land value in the increased cost of the sugar he buys.

Instead of sugar one might have taken clothing, or sewing machines, or anything else carrying a tariff, and by tracing the effect of the tariff one would find that any benefit which followed its imposition (if there were any benefit) inevitably went to the land-owners, and that the condition of the average man was made worse than it would have been if the tariff had not been imposed.

If we were to lower the tariff or even abolish it entirely would the worker in either case benefit? To a very limited extent, if at all, under our present land tenure system. Free trade should, and if allowed to work unhampered would, benefit the whole population by enabling it to obtain many kinds of goods abroad cheaper than these things could be bought if made here; and in order to pay for these increased imports, production here, in many fields, would be stimulated and employment increased. Actually, however, so long as we have more men than jobs, as soon as it became established that, because of free trade, the average man could live on less, land values and rents would rise sufficiently to take this benefit from him. Inevitably, the pressure of unemployed men bidding for jobs would bring this about. England's near approach to free trade enormously increased her commerce, but it did not raise her standard of living; the benefits were reflected in higher land values and in higher rents.

The widespread belief in the beneficence of the tariff

probably is founded in the fact that the average man does not realize that foreign trade, like all trade, is a two-way process. The goods we buy abroad must be paid for with things made here, for our money is of no value in a foreign country. When jobs are scarce, and men, unfamiliar with economic principles see goods coming into this country from abroad, it is easy for them to jump to the conclusion that if these things had been made in this country men here would have had employment in making them and, therefore, that permitting imports is the cause of their ills. We have already seen the fallacy in this.

The only substitute for poverty is the possession of wealth. Anything which interferes with the production of wealth, then, is an evil. Tariffs interfere with the production of wealth, for they interfere with trade. Specialization in production and exchange of the goods thus produced, either among individuals or among nations, is one of the best methods of increasing efficiency of production. Since tariffs interfere with this process, tariffs cannot but be an evil.

Every advance in methods of transportation, from the wheelbarrow to the airplane, has facilitated trade. Does it not seem worse than foolish to spend billions on roads, railroads and the improvement of waterways and harbors; on railroad equipment, trucks and steamships, in order to promote the exchange of products, and then to erect a custom house at the end of each road to interfere with the increased trade which the better transportation stimulates?

The United States has been the greatest free trade nation in the world in its internal relations, with no tariffs between any two states. It was not always so. In Colonial

days many states imposed duties on goods coming from other states, but with the adoption of the Constitution these interstate tariffs were abolished, the Constitution decreeing, "No tax or duty shall be laid on articles exported by any State," and it was this freedom of commerce which opened up this country from ocean to ocean. In principle, what is the difference between free trade among states and free trade among nations? Nowhere in life is there a substitute for freedom. The cure for our economic ills lies not in restricting trade, but in eliminating unemployment and in making men free.

When some company establishes a "company" store and insists that its men shall buy their supplies at this store exclusively, though at prices 25% higher than the same things could be bought for elsewhere, indignation is aroused at the injustice to these men and at the infringement on their liberties. When we buy a woolen coat from England, or sugar from Cuba, and our tariff laws require us to pay 25% to 50% more for these things than the people in England or Cuba would pay, why should we not be equally indignant at the injustice to ourselves and at the infringement on our own liberties—even though we may ignore the additional facts that the imposition lessens our chances of getting employment and lowers our standard of living?

It has well been said: "Free trade consists in letting people buy and sell as they want to buy and sell. 'Protection' requires force, for it consists in preventing people from doing what they want to do. Protective tariffs are as truly applications of force as are blockading squadrons and their object is the same—to prevent trade. The difference between the two is that the blockading squadrons are a means by which nations seek to prevent

their enemies from trading; protective tariffs are a means by which nations seek to prevent their own people from trading. By 'protection' we do to ourselves in times of peace what our enemies seek to do to us in times of war."
—Henry George in "Protection or Free Trade."

3—LABOR UNIONS

Not infrequently we have millions of men out of work, supported wholly or in part by charity, either governmental or private. Even in times of so-called prosperity we have millions who are very near the line where they must choose between charity or hunger. Probably no one believes this condition to be due to our country being unable to produce enough to support all of its people in comfort. Almost everyone realizes, at least vaguely, that it is due either to lack of employment or to low wages. Believing the cause to be low wages, the labor unions propose to raise them. Can they do it? Can they bring about a condition where everyone can be *certain* that, if he wants it, he can always have employment at good wages? Probably even the most optimistic labor leader would not promise this—and if he did, the goal could not be achieved by unionizing labor.

That labor unions in the skilled trades can raise wages in these specific trades, to some extent and for a time, is, of course, true; but that they can raise general wages is not true. Labor union members, and many others, overlook the fact that the increases in wages which the unions enforce in some trades must be added to the price of the goods made in those trades. The workers actually receiving the increased wages may benefit, but for every consumer who buys the products made by

the men in these unions this increase in the price of the goods he buys only means that his wages will buy fewer goods than before. Therefore, as the standard of living of one group is raised, that of others outside this group will be lowered.

Nor do these increased wages benefit even the members of the union for long. On the one hand, the higher cost of goods will decrease the demand for goods, thus decreasing the number of men needed to make them; on the other hand, the higher wages will increase the competition for the smaller number of jobs. Honest labor leaders admit that both of these things occur in spite of all the efforts of the unions to the contrary. And it must be true, because slowly but surely the irresistible pressure of men out of work, bidding for jobs, must tend to drive all wages down.*

*The Federal Home Loan Bank Board publishes each month the cost of building a standard six-room house in selected American cities. Herewith is a comparison between Cleveland and Los Angeles.

The Cleveland building trades have done much more collective bargaining than have those of Los Angeles, and Cleveland has a completely closed shop. A bricklayer in Cleveland (1939) gets \$1.65 per hour, in Los Angeles \$1.00 per hour, and other trades in proportion.

Cleveland has plenty of bad residential housing and needs new housing probably more than does Los Angeles. Between 1935 and 1939 Cleveland built only 143 residential housing units per 100,000 population. During the same period Los Angeles built 2,056 housing units per 100,000 population, i.e., construction in Los Angeles was fourteen times that of Cleveland for each 100,000 population. Or, to put it another way: while Cleveland bricklayers were getting one hour of work and \$1.65, the Los Angeles bricklayers were getting fourteen hours of work and \$14.00. Which bricklayers were the better off? Statistics show that the building trades in Cleveland collectively bargained themselves into unemployment and destitution; for the building trades' workmen in Cleveland, while getting more per hour, were getting less per year than in almost any other large city in the United States.

If it were possible for *all* labor to be unionized, and for all workers thereby to receive increased wages, then *no one* would benefit. The prices of all commodities would need to be raised to pay these increased wages and the condition of the worker would be the same as though there were no unions at all. Everyone would be receiving nominally higher wages, but the higher wages would purchase no more than the lower wages had purchased previously; for any increased wages not accompanied by a correspondingly increased production must always raise prices. If, by any chance, all of the increased wages were not absorbed by the higher prices, then, inevitably, rents would be increased enough to absorb the difference.

Labor unions are maintained by force. Men who have no inclination toward them, or who even are opposed to them in principle, are forced to join them in order to get jobs. Unions often seek to enforce their demands by strikes, which, even when no violence is used, may be more destructive of property than is a war. The leader of a labor union must be an autocrat. But in spite of this autocracy and of the destructiveness of strikes; in spite of the arbitrary limiting of the number of apprentices in some trades and the arbitrary rules limiting the number of hours a man may work and fixing the amount of work he may do in a day; in spite of the ostracizing of non-union men and the boycotting of businesses, with or without a just cause; in spite of all these, if labor unions could solve the labor problem—if they could bring about equality of opportunity for *all* men, their shortcomings might be overlooked. But labor unions cannot do this, not in a thousand years, by their present methods; because instead of attacking general causes they give their attention only to individual cases and leave the general

cause of low wages and unemployment still operating. Not only do they not attack the cause of their troubles; they seldom, if ever, seek to discover this cause; and their methods divert attention from the real object to be achieved.

Practically everyone realizes that Labor receives far less than its just share in the distribution of wealth; but it is not the employing class, not the capitalist, as most unionists seem to believe, which receives what should go to Labor. If it were, every factory owner, shopkeeper, merchant, farmer—everyone who employed even one man to help him, should flourish, because in addition to getting his own wages he would get also a part of that which should be paid to the employee. Yet everyone knows that both large and small business men who have no special privileges must, in the vast majority of cases, struggle desperately "to keep their heads above water." Credit agencies, whose facilities enable them to know the facts, tell us that more than 95% of all those who start in business fail within 66 months. This means that they not only did not flourish by exploiting their employees, but that they did not receive proper wages for themselves nor even get back the capital they invested in their enterprises.

No, it is not the capitalist, as such, who gets the wages Labor does not get. As a matter of fact, any increase in wages enforced by labor unions does not affect Capital very much at all, in the long run. If the capitalist has existing contracts which must be filled, he will suffer because of the raised wage scale until these contracts have expired; but new contracts will be made at such an increase in price as will pass the increased wages along to the consumer. If, for any reason, this increased wage

cannot be passed along to the consumer, then, the employer, if purely a capitalist, will probably fail, and instead of Labor receiving increased wages from this source it will receive none at all.

An employer who is both land-owner and capitalist, by decreasing the amount of rent he pays to himself, may be able to pay the higher wage and still meet competition without increasing his prices. But this concession will be made to Labor by the employer, not as a capitalist, but as a land-owner. Labor may inquire: "What difference how we get the concession, so long as we get it?" The difference is vast. The importance of seeing who makes the concession lies in this: if labor unions did recognize economic principles and did understand how they operate, then they could undertake intelligently to better general labor conditions.

Just so long as the unions fail to recognize Labor's relation to land, and also fail to recognize the difference between capital and land, just so long will they waste their efforts in trying to accomplish the impossible, i.e., in trying to raise their own position by pulling Capital down. If they but knew it, the position of the capitalist who has no special privilege, as a land-owner or otherwise, is just as precarious as is that of Labor itself. In order to produce abundantly, Labor must use capital, and in trying to destroy the capitalist—the man who has saved wealth for Labor to use as capital—Labor is trying to destroy one who is in no way its enemy, but rather its friend and helpmate.

That which oppresses Labor is not exploitation by the capitalist, nor is that which oppresses the business man the higher wages which must sometimes be paid because of labor unions. As has well been said: "Capital and

Labor fight each other because they fail to recognize they have a common enemy who is oppressing both of them. They are like two brothers who, searching for a thief, and, meeting in the dark, mistake each other for the thief and fall to fighting each other, while the real thief escapes with the property of both of them." The real enemy of both Capital and Labor is the system which puts one man in the position where he can compel another to give up a part of what he produces in order to get an opportunity to produce. If labor unions would make their efforts effective, this is the enemy they must destroy. If they would seek a way of raising all wages, instead of only specific wages, the probability is they would quickly see that the problem of wages is a problem of opportunity and of production, and not one of organization.

Basically there is no such thing as a labor problem; there is, instead, a land problem, and only a land problem. If Labor could get easy access to all the land needed for any purpose, whenever wanted, all questions regarding hours, wages, and condition of labor would disappear; because then no one, neither employer nor employee, would ever be involuntarily out of employment, and forced by conditions to underbid another in order to get an opportunity to work.

4—ABOLITION OF COMPETITION

"There is no instance on record of a class possessing power without abusing it."—BUCKLE

Often reference is made to the so-called "evils of competition" and it is contended that even if free competition ever has benefited society, it has had its day, is no longer

beneficial, and should be abolished—by law, if necessary.

This erroneous belief doubtless is due to failure to comprehend the nature of free competition. Divested of the confusion of thought which has been associated with the use of the term, does "free competition" mean anything but freedom in bargaining? Investigation will show that instead of free bargaining having been tried and found wanting, it really never has had a trial. Bargaining has approximated freedom on the edges of frontier settlements and there it has worked well; but we have no record of any organized government which ever allowed an opportunity to test what free bargaining, free competition, might accomplish.

The granting of privilege, in some form, by the government, has been common almost from the beginning; and wherever one finds privilege legalized, then and there, and to the extent of the privilege granted, free competition becomes impossible. There can be no free bargaining when one of the parties to a transaction is helped by a legal advantage, and the other is hindered by a legal disadvantage. It is as though in a foot race one of the contestants were foot-free, untrammelled in his efforts to attain his object while the other were shackled by a ball and chain to hold him back. Where tariffs prevail, there free bargaining is hindered deliberately and intentionally; where taxes are imposed on producers or on consumers or on any other class, as such, this class is hindered in dealing freely with others. But worse than all else, we have landless men, who must work or starve, and whose only chance of getting employment is by competing for it (competing with other men who also must work or starve), while to others has been given the legal privilege of shutting them off from the land with-

out which they cannot work. One might call this condition a free farce were not its results so tragic. Certainly it is not a condition of free bargaining nor of free competition.

Men living in society, in their economic relations, either must be subject to government compulsion or left to compete voluntarily and freely (which is free bargaining). When any individual or group of individuals is denied a privilege granted to others, the owner of this privilege has the power of using compulsion, or of having compulsion used, on those denied the privilege; for the privilege is of no value to its owner if he cannot compel others to live by its terms. To empower one to exercise compulsion on others is to apply the principle of slavery; and it is none the less slavery if the one who owns the privilege can have the government apply the compulsion instead of doing it himself.

Co-operation in its broad sense is not limited to such profit sharing schemes as are usually called by that term; to the contrary, it implies a nation-wide, or even a world-wide, combination of effort in supplying human needs. This must be either voluntary or enforced by government—there can be no third choice. True co-operation is a voluntary interchange of labor. Compulsion in any form is the enemy of freedom. Any political attempt to direct co-operation must be circumscribed by the mentality of the "director." Direction can be enforced only by duress, which, to the extent exercised, means the destruction of freedom.

They who oppose free competition claim that such an interchange would not be practical unless it were regulated by government. But who will do the regulating? Who is there competent to decide, justly, who shall

work, for whom one shall work, at what one shall work, how, and how much one shall be paid? The answer is that no man, no body of men, is fitted to decide these and similar questions for others. What might be just for one man might be unjust for another; it might even be unjust for the same man, in changed conditions, tomorrow. No regulation of these conditions for any individual by anyone else can possibly be fair, or can even approximate fairness. Nor is such regulation necessary.

Voluntary co-operation, free bargaining, would require no regulation, for it would leave each man free to decide these things for himself. If every man had an equal opportunity with his fellows to work, or not to work, if, as, when, where and how he wished, free competition could produce but one result—neither party to any transaction would get more nor less than might be fair.

Some think of free competition as though it were necessarily associated with selfish greed. "Selfish greed" might or might not be a motive in competition, but whether it were, or were not, the result would be the same. In a free market, where no man had any legal advantage over any other, the pressure of self-interest in and from all directions would force men to make bargains which were fair and just; no one would be overpaid nor underpaid. If anyone should demand more for a given amount of service than others were willing to accept, he would not get the business or the job. If another were not willing to pay him what he believed his services to be worth, he could always go to work elsewhere—for another or for himself. With truly free competition, it would be impossible for one man to oppress another, because when even the poorest worker had

plenty of opportunities to work open to him, no man would need to underbid another to get employment. Each then could, and would, co-operate with his fellows on terms mutually satisfactory and beneficial to both, and only on such terms.

There are those who oppose free competition on the ground that human nature is not fitted for it. Objections so based remind one of the conditions in the Andersonville Prison during the Civil War, where sometimes thousands of prisoners captured from the Northern armies were herded together (on 26 acres there were at one time more than 32,000 men). No provisions were made for sanitation, or for shelter or for fires. The prisoners had only such clothing and bedding as they may have had with them when captured; very little food was supplied, sometimes none for days at a time; the only water for cooking, washing, and bathing was from a small stream which flowed across one corner of the stockade and which frequently was polluted and inadequate. Though occasionally the incidents of heroism and sacrifice for others which came to the surface were almost superhuman, on the average, such conditions could bring out only the worst in human nature. Bands were formed for pillage and for protection. Brawls and murders were frequent. To claim that, because these prisoners often acted worse than animals in order to live at all, they should not be set free would have been no more illogical than it is to claim that, because, in our present economic system, competition for an opportunity to work (which is the kind of competition we now have) often makes men ignore the welfare and rights of others, therefore free competition itself is impractical and compulsion should be substituted for it. NO!

The aim should be to establish free competition—to permit true voluntary co-operation—if we would have our civilization go forward. Any step taken toward throttling free competition is a step toward the destruction of individual liberty. Every step in this direction is a step backward toward another series of Dark Ages, such as those under which Europe struggled for more than a thousand years. The cause of these centuries of misery in Europe was the same as that which now causes our economic turmoil, and which will cause dark ages for us if it is not abolished. That cause was the extension by the government of privileges to the few which permitted them to control the lives of the many.

Francis Bacon says that by the middle of the thirteenth century the Church owned more than one-third of the soil of Europe, and that various kings and families of the nobility owned at least three-fifths of the remainder. Is it any wonder that in these conditions the average man was degraded and ignorant? The wonder is that the spark of manhood survived at all.

Special privileges and free competition cannot exist at the same time in the same society. To establish one is to abolish the other. There are many forms of privilege granted by government, but by far the worst of these is the privilege granted to a part of the people to compel others to pay them for permission to use the earth.

The greater the individual liberty, the greater the possibility of man's development. True individual liberty is possible only in free competition. Free competition is impossible unless every man has an equal opportunity with all of his fellows to earn his bread; and equality of opportunity cannot exist in a society which grants to some privileges denied to others. Therefore, let us abolish

the kind of "competition" we now have—let us abolish special privileges and establish truly free competition.

QUESTIONS FOR DISCUSSION

- 1—What will cause prices of goods to increase when the wages of the men producing the goods are increased? What condition will cause an increase in wages to be accompanied by a decrease in the price of the goods made?
- 2—Is it proper to measure wages by the money received by the workman? Should they be measured by the relation between what he produces and what he gets? Should they be measured by the degree to which he can satisfy his desires with what he receives? What is the true measure of wages?
- 3—Is labor a commodity? Does a man sell his labor or the product of his labor?
- 4—How does a strike, while in progress, affect labor, capital, land-owner? Is any one of these helped or harmed by the strike, regardless of the way a strike may be settled?
- 5—Is trade a part of production? Does interference with trade ever increase production? Decrease it? Why?
- 6—What is meant by "a tariff for revenue only"? What is a "protective tariff"? Are their results always the same? What effect does each have on imports? On exports?
- 7—Would unrestricted importation of goods from other countries create unemployment, reduce wages, or adversely affect our industries? Explain.
- 8—It is believed by many that when a country exports more than it imports, its foreign trade is profitable. If its foreign trade were done entirely by barter—a direct exchange of goods—would this be true? Is there any logical reason for believing that the effect is different when the trade is indirect? Why?

- 9—What is the effect of an import duty on any given “protected” home industry? What effect will this have on consumers? What effect on other industries not “protected”?
- 10—Can co-operative enterprises raise wages or decrease prices in our present system? Why?
- 11—What is necessary to insure fairness among employers, employees and consumers?
- 12—Must low wages be the rule when men must compete for jobs? Why?